

**MINUTES OF THE  
NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE**  
Wednesday, August 19, 2009 – 2:00 p.m. – Room 210 Senate Building

**Members Present:**

Sen. Dennis E. Stowell, Senate Chair  
Rep. Roger E. Barrus, House Chair  
Sen. Allen M. Christensen  
Sen. Margaret Dayton  
Sen. Karen W. Morgan  
Rep. Melvin R. Brown  
Rep. Rebecca Chavez-Houck  
Rep. Brad L. Dee  
Rep. Jack R. Draxler  
Rep. Ben C. Ferry  
Rep. Kerry Gibson  
Rep. James R. Gowans

Rep. Neal Hendrickson  
Rep. Fred R Hunsaker  
Rep. John G. Mathis  
Rep. Michael E. Noel  
Rep. Patrick L. Painter  
Rep. Phil Riesen  
Rep. Ryan D. Wilcox  
Rep. Bradley A. Winn

**Staff Present:**

Mr. J Brian Allred, Policy Analyst  
Ms. Emily Brown, Associate General Counsel  
Ms. Joy L. Miller, Legislative Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Committee Business**

Chair Barrus called the meeting to order at 2:25 p.m.

**MOTION:** Rep. Riesen moved to approve the minutes of the June 17, 2009 meeting. The motion passed unanimously. Sen. Morgan, Rep. Brown, Rep. Chavez-Houck, Rep. Dee, Rep. Draxler, Rep. Ferry, Rep. Gibson, Rep. Noel, Rep. Painter, and Rep. Winn were absent for the vote.

**2. American Clean Energy and Security Act of 2009 (H.R. 2454)**

Congressman Rob Bishop, U.S. House of Representatives, discussed H.R. 2454, "American Clean Energy and Security Act of 2009." He said if the bill passes, the cost of energy and goods and services will grow and there will be a loss of jobs. He stated there is a national energy tax associated with the bill which will fund government programs in other areas. He pointed out that alternative sources of energy should be considered as supplemental sources of energy. Rep. Bishop said that cap and trade does not build the future and will not make the country economically independent.

Mr. Robin Riggs, Salt Lake Chamber of Commerce, distributed and discussed "Energy and Climate Change: A Washington Perspective," a presentation from William L. Kovacs, Senior Vice President, U.S. Chamber of Commerce. He noted that Utah will be the 12th biggest loser in terms of power loss if the current version of the bill remains. He outlined what would need to be done in order to generate enough energy to power the world by 2050 while reducing CO<sub>2</sub> emissions to 50 percent of 2005 levels.

Mr. Arnold Reitze, Jr., University of Utah College of Law, gave a presentation on the "American Clean Energy and Security Act, H.R. 2454." He said Utah faces three approaches which will directly affect Utah in the future: the international efforts, the efforts of the Environmental Protection Agency, and H.R. 2454 or some other legislative enactment. He noted that the bill is projected to cost \$821 billion during 2010-2019. He discussed the cap and trade program as outlined in the legislation.

Ms. Beverly Evans, Governor's Office of Economic Development (GOED), Rural Development,

distributed a copy of her presentation "H.R. 2454's Impact on Utah's Electric Rates and Economic Development." She stated the hardest hit regions will be those that derive much of their power from coal-fired power plants. She noted that Utah's rates likely will rise if the legislation is passed. These potential higher rates may affect Utah businesses and Utah's ability to compete for new companies.

Ms. Teresa Foxley, GOED, said that the Renewable Energy Development Incentive, which was passed during the last legislative session, could be a tool to mitigate some of the effects that Utah may experience as a result of a carbon tax.

Ms. Sarah Wright, Utah Clean Energy, said they promote energy efficiency, which is the least cost, no carbon resource.

### **3. Utah State Energy Program Report on Use of American Recovery and Reinvestment Act Funds**

This item was not discussed.

### **4. Snake Valley Agreement Update**

Mr. Mike Styler, Executive Director, Department of Natural Resources, spoke briefly to Agenda Item 2 and suggested that the Committee consider some type of energy export tax. He then gave a presentation on "Utah/Nevada Ground-Water Apportionment and Protection Agreement." He outlined the provisions within the agreement and reviewed the compact and treaty apportionment based on current hydrology. He indicated that the agreement addresses three categories of Snake Valley water: allocated, unallocated, and reserved. He reviewed the proposed water divisions within each category.

Mr. Michael Quealy, Assistant Attorney General, explained that at the present time, southern Nevada does not have any water rights to pump water out of Snake Valley. He stated the main benefits of the agreement are to provide flexibility and mitigation and to adjust the agreement as the aquifer adjusts.

Mr. John Harja, Public Lands Policy Coordination Office, discussed the objectives of the Snake Valley Environmental Monitoring and Management Agreement. He noted the terms of the agreement become a condition of any water application approval made by the Nevada State Engineer. The agreement counters adverse effects by avoiding a problem initially.

Mr. Styler responded to questions from the Committee. Some members of the Committee requested that Mr. Styler: 1) reconsider the 7:1 appropriation of unappropriated water; 2) ensure that the process be adequately discussed; and 3) not rush approval of the agreement in order to fully determine the potential for air and water quality damage that could affect not only the area in question but the entire state.

Chair Barrus requested that Mr. Styler keep the Committee informed on the progress of the agreement.

### **5. Capital Funding Sources for Utah State Parks and Recreation**

Mr. Dan McConkie, Friends of Utah State Parks, distributed "Outdoor Recreation Funding Source Beverage Container Legislation," "Land and Water Conservation Fund Utah Apportionment 1965 -

2010," "Beverage Container Deposit Act," and "Capital Funding Sources for Utah State Parks and Recreation." He explained that Utah does not have a stable funding source for the maintenance and renovation of outdoor recreation facilities. He discussed the proposed Beverage Container Legislation as a revenue source.

#### **6. Division of Wildlife Resources**

This item was not discussed and will be put on the agenda at a future date. The Committee received a copy of "Land Acquisitions by the Utah Division of Wildlife Resources."

#### **7. Other Business / Adjourn**

Rep. Noel expressed concern about an Outdoor Utah magazine article describing the actions of Mr. Tim DeChristopher in falsely bidding on oil and gas leases on public lands. He pointed out that the state provides the magazine \$60,000 for postage. He asked that the issue be placed on a future meeting agenda.

Chair Barrus said he would determine if there would be time later in the year to discuss the issue.

**MOTION:** Rep. Hendrickson moved to adjourn. The motion passed unanimously. Sen. Christensen, Rep. Dee, Rep. Draxler, Rep. Hunsaker, Rep. Painter, Rep. Riesen, and Rep. Winn were absent for the vote.

Chair Barrus adjourned the meeting at 5:25 p.m.